

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**TEH SHOU KAO and T S KAO, INC., on
behalf of themselves and all others similarly
situated,**

Plaintiffs,

v.

CARDCONNECT CORP.,

Defendant.

Civil Action No. 2:16-cv-05707

HON. J. WILLIAM DITTER

INITIAL STIPULATION OF FACTS

COME NOW Plaintiffs Teh Shou Kao (“Mr. Kao”) and T S Kao, Inc. (“T.S. Kao”) and Defendant CardConnect Corp. (“CardConnect”) and hereby stipulate to the following facts:

1. Mr. Kao is an individual and a shareholder in T.S. Kao.
2. T.S. Kao is a corporation that was incorporated in the State of Michigan on September 11, 2001.
3. T.S. Kao owns and operates a Chinese food restaurant known as Lucky 7 (hereinafter, T.S. Kao is referred to as “Lucky 7”).
4. Lucky 7 is located in Ypsilanti, Michigan.
5. CardConnect is a merchant acquirer and independent sales organization that provides payment processing services to businesses that accept payment for goods and services through credit and debit cards.
6. CardConnect’s headquarters are located in King of Prussia, Pennsylvania.
7. In April 2016, Jenny Shee and Mr. Kao met with David Histed, an authorized sales representative for CardConnect.

8. Mr. Kao signed the Merchant Processing Application (a true and correct copy of which is attached hereto as Exhibit A) on behalf of Lucky 7 and individually as a personal guarantor.

9. Mr. Kao signed the Confirmation Page of the Program Guide (a true and correct copy of which is attached hereto as Exhibit B) on behalf of Lucky 7.

10. A representative of CardConnect did not physically sign page 4 of the Merchant Processing Application.

11. Neither CardConnect nor Plaintiffs have ever received any information that the Merchant Processing Application was physically signed by a representative of Wells Fargo Bank, N.A. (“Wells Fargo”).

12. In April 2016, CardConnect began providing payment processing services to Lucky 7.

13. As of June 26, 2017, CardConnect continues to provide payment processing services to Lucky 7.

14. To date, CardConnect has never charged Mr. Kao (individually) for any payment processing fees, nor has Mr. Kao paid any such fees.

15. Lucky 7 and Mr. Kao do not claim that they ever paid an early termination fee to CardConnect.

16. Attached as Exhibit C is a true and accurate copy of CardConnect’s April 2016 statement for Lucky 7.

17. Attached as Exhibit D is a true and accurate copy of CardConnect’s September 2016 statement for Lucky 7.

18. Attached as Exhibit E is a true and accurate copy of CardConnect's December 2016 statement for Lucky 7.

19. Attached as Exhibit F is a true and accurate copy of CardConnect's January 2017 statement for Lucky 7.

/s/ KJG2445

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Dated: June 26, 2017

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